

**REQUEST FOR PROPOSALS
(RFP)**

ISSUE DATE: September 16, 2019
RFP NO. WCS20-01
TITLE: Workers' Compensation Services Auditing Services
ISSUING AGENCY: Commonwealth of Virginia
Department of Human Resource Management
James Monroe Building, 12th Floor
101 North 14th Street
Richmond, Virginia 23219

PERIOD OF CONTRACT: From July 1, 2020 through June 30, 2023, with four one-year renewal options.

Sealed proposals for furnishing services described herein will be received subject to the conditions cited herein until 2:00 p.m. October 21, 2019.

All Inquiries Must Be In Writing And Should Be Directed To:

Mr. Todd Hopkins
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
Phone Number: 804-371-0430

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS SHOWN ABOVE.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 11-35.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

In compliance with this Request for Proposals, and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish materials and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

| | |
|--------------------------------|--------------------------------|
| _____ | Date: _____ |
| _____ | By: _____ |
| _____ | (PRINTED NAME) |
| _____ | (SIGNATURE IN INK) |
| _____ Zip Code: _____ | Name: _____ |
| | (PLEASE PRINT) |
| Fax Number: (____) _____ | Title: _____ |
| E-mail Address: _____ | Telephone Number: (____) _____ |
| eVA Vendor ID or DUNS #: _____ | |

*** PREPROPOSAL CONFERENCE:** An optional pre-proposal conference will be held at 9:30 a.m. on Thursday, September 26, 2019 in the POD, 6th floor, 101 N. 14th Street, Richmond, VA 23219. If special ADA accommodations are needed, please contact DHRM front desk at (804) 225-2131 by September 23, 2019. (Reference: Paragraph 5.10 herein).

TABLE OF CONTENTS

| | |
|---|----------------|
| PURPOSE | PAGE 3 |
| BACKGROUND | PAGE 3 |
| POLICY REGARDING PARTICIPATION OF SMALL BUSINESSES | PAGE 3 |
| TASKS | PAGE 4 |
| PROCUREMENT PROCEDURES | PAGE 4 |
| SUBMISSION OF WRITTEN PROPOSALS | PAGE 5 |
| MODIFICATION OF PROPOSALS | PAGE 6 |
| ORAL PRESENTATION | PAGE 6 |
| INQUIRES CONCERNING THE RFP | PAGE 7 |
| PUBLIC INSPECTION OF PROCUREMENT RECORDS | PAGE 7 |
| CLARIFICATION OF PROPOSAL INFORMATION | PAGE 7 |
| REFERENCE TO OTHER MATERIALS | PAGE 7 |
| OPTIONAL PRE-PROPOSAL CONFERENCE | PAGE 7 |
| TIMETABLE | PAGE 8 |
| CRITERIA FOR EVALUATION | PAGE 8 |
| DELIVERABLES | PAGE 8 |
| GENERAL TERMS AND CONDITIONS | PAGE 9 |
| SPECIAL TERMS AND CONDITIONS | PAGE 18 |
| ATTACHMENT ONE | PAGE 26 |
| ATTACHMENT TWO | PAGE 28 |

1. PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit sealed proposals to establish a contract through competitive negotiation for accounting services, including auditing and reporting services for Workers' Compensation Services and other Department of Human Resource Management office areas as requested by the Purchasing Agency. The Contractor will monitor the service organization providing Workers' Compensation Program (WCP) services to the Commonwealth of Virginia, Department of Human Resource Management's (DHRM) Workers' Compensation Services (WCS).

2. BACKGROUND

The Virginia Workers' Compensation Commission (VWC) governs the administration of the Virginia Workers' Compensation Act. Workers' Compensation Services within the Department of Human Resource Management (DHRM), is responsible for administering the Workers' Compensation Program for the Commonwealth of Virginia employees. WCS serves as the claims administrator for the employers and agencies of the Commonwealth.

WCS is responsible for investigating all claims to determine if they meet the requirements for workers' compensation as well as developing and implementing loss control programs to prevent accidents and reduce on the job injuries and illness.

Effective May 1, 1998, WCS entered a contractual relationship to outsource the Commonwealth's workers' compensation and cost containment program. The contract was awarded to Managed Care Innovations (now MC Innovations/MCI), of Richmond, Virginia to provide for the following claims and cost containment services:

| | | |
|---------------------------|---------------------------|------------------------------|
| Program Management | Loss Control | PPO Network |
| Claims Reporting | Surveillance | Home Health Care |
| Pharmacy Network | Durable Medical Equipment | Payroll Classification Audit |
| Medical Management | Vocational Rehabilitation | Medical Imaging Network |
| Medical Bill Adjudication | Dental Network | Transportation Services |
| IME Network | Chronic Pain Management | |
| FCE Network | Claims Administration | |

The Workers' Compensation Cost Containment program has been developed utilizing several organizations of specialty services structured under contract to MCI and reporting to WCS. Sedgwick (through their acquisition of York Risk Services Group on September 4, 2019) has been contracted by MCI to perform the claims administration and comprehensive cost containment services. CareWorks, a wholly owned subsidiary of York RSG, has been contracted by MCI to provide bill adjudication and PPO services. The performance period for the current contract between DHRM and MCI is 7/1/18 – 6/30/21, with an option to renew for four successive one-year periods. Sedgwick currently processes claims in Richmond at the offices of WCS.

3. POLICY REGARDING PARTICIPATION OF SMALL BUSINESSES

3.1 It is the policy of the Commonwealth of Virginia to contribute to the establishment,

preservation, and strengthening of small businesses and Small businesses owned by women and minorities and to encourage their participation in State procurement activities. The Commonwealth encourages Contractors to provide for the participation of small businesses and small businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required.

- 3.2 All information requested by this RFP on the ownership, utilization, and planned involvement of small businesses, women owned businesses, and minority owned businesses must be submitted. If an Offeror fails to submit all information requested, the purchasing agency will require prompt submission of missing information after the receipt of vendor proposals in order for a non-compliant proposal to be considered.
- 3.3 By submitting a proposal, Offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

4. TASKS

- 4.1 An annual or as required SOC 1 audit for Fiscal Years ending June 30 to also include additional controls assessment and substantive testing. All audits of the service organization shall result in a report on the controls placed in operation and tests of operating effectiveness. The report is to be completed by November 15th following the end of the fiscal year. Performance of the audit and the resulting report shall be in accordance with all applicable professional standards.
- 4.2 The Purchasing Agency may require an audit of the reported loss payment figure to determine if the loss payments are accurately stated and include all loss payments for the last ended fiscal year. Performance of the audit and the resulting report shall be in accordance with all applicable professional standards.
- 4.3 In addition, all work products should include the following information where applicable:
 - 1. Identification that the audit is in accordance with generally accepted auditing standards.
 - 2. A description of the scope and nature of the service auditor's procedures.
 - 3. Identification of the goals and objectives of the audit.
 - 4. Identification of methodology.
- 4.4 Perform auditing/accounting services as required.

5. PROCUREMENT PROCEDURES

5.1. METHOD OF AWARD

- 5.1.1 The Department is to engage in individual discussions with two or more offerors deemed fully qualified, responsible, and suitable on the basis of

initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews are permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. Such discussions may also include non-binding estimates of total project costs, including but not limited to where appropriate, design, construction and life cycle costs. Non-binding methods to be utilized in arriving at a price for services may also be discussed. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of discussions outlined in this paragraph, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the procuring agency shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiation shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiation with the offeror ranked first shall be formally terminated and negotiation conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the procuring agency determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror (Code of Virginia, § 2.2-4301). At any time during the negotiations, the procuring agency may terminate all negotiations and re-advertise the requirements. The reason for such termination is to be made a part of the file.

- 5.1.2 The contract will incorporate by reference all the requirements, terms and conditions of this RFP and the Contractor's proposal, except as either or both may be amended through negotiation.

5.2 SUBMISSION OF WRITTEN PROPOSALS

The RFP cover sheet and all addenda acknowledgments, if any, signed and completely filled out shall be returned with each proposal.

- 5.2.1 All proposals must be responsive to both the task descriptions and contractual requirements contained herein. Proposals, which are deemed to be non-responsive, may not be considered. Proposals must be typed. **An original, five copies in three ring binders, five electronic copies on separate thumb drives, and a redacted version on thumb drive shall be delivered in a sealed box, and labeled as a proposal, with the words "Do Not Open" prominently displayed on the box.** The "Redacted" version of the proposal shall exclude any proprietary and confidential information. Proposals must be received no later than 2:00 p.m., local prevailing time, as determined by the Department in its sole discretion, on October 21, 2019,

by:

Mr. Todd J. Hopkins
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219

Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

- 5.2.2 Ownership of all data, materials and documentation originated and prepared for the Department pursuant to the RFP shall belong exclusively to the Department and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Section 2.2-4342 of the Code of Virginia, in writing, at the time the data or other material is submitted. A redacted version of the proposal shall be submitted which excludes the protected information. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is appropriate. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal. The Department, in its sole discretion, may not consider proposals with unduly broad requests for protection against disclosure.

5.3 MODIFICATION OF PROPOSALS

Any changes, amendments or modifications of an Offeror's proposal prior to the deadline for receipt of proposals must be in writing and submitted in the same manner as the original proposals. All modifications must be labeled conspicuously as a change, amendment, or modification of the previously submitted proposal. Changes, amendments, or modifications of proposals will not be considered after the deadline for receipt of proposals, except when modifications are requested by the Department.

5.4 ORAL PRESENTATION

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Department. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Department will schedule the time and location of these presentations. Oral presentations are an option of the

Department and may or may not be conducted.

5.5 INQUIRIES CONCERNING THE RFP

Any communication concerning this RFP or any resulting contracts must be addressed in writing to:

Mr. Todd J. Hopkins
Department of Human Resource Management
James Monroe Building, 13th Floor
101 North 14th Street
Richmond, Virginia 23219
E-mail Address: todd.hopkins@dhrm.virginia.gov

5.6 PUBLIC INSPECTION OF PROCUREMENT RECORDS

Proposals will be subject to public inspection only in accordance with Section 2.2-4342 of the Code of Virginia.

5.7 CLARIFICATION OF PROPOSAL INFORMATION

The Department reserves the right to request verification, validation or clarification of any information contained in any of the proposals. This clarification may include checking references and securing other data from outside sources, as well as from the Offeror.

5.8 REFERENCE TO OTHER MATERIALS

The Offeror cannot compel the Department to consider any information except that which is contained in its proposal, or which is offered in response to a request from the Department. The Offeror should rely solely on its proposal. The Department, however, reserves the right, in its sole discretion, to take into consideration its prior experience with Offerors and information gained from other sources.

5.9 OPTIONAL PRE-PROPOSAL CONFERENCE

An optional pre-proposal conference will be held at 9:30 a.m. on Thursday, September 26, 2019, in the James Monroe Building, on the 6th Floor, the POD, 101 North 14th Street, Richmond, Virginia. The purpose of this conference is to allow potential Offerors an opportunity to present questions and to obtain clarification relative to any facet of this procurement.

It is requested that any known questions regarding the RFP be forwarded to Todd Hopkins prior to date of conference to facilitate the conference. E-Mail todd.hopkins@dhrm.virginia.gov.

While attendance at this conference will not be a prerequisite to submitting a proposal, offerors who intend to submit a proposal are encouraged to attend. Offerors should bring a copy of this RFP to the conference. Any changes resulting from this conference will be issued in a written addendum to the RFP. Attendance at the conference will be

documented by the representative's signature on the attendance roster.

Anyone desiring a copy of any amendments issued to this RFP including questions and answers arising from the Offerors' conference shall email a request providing name, firm, and email address to Todd Hopkins at todd.hopkins@dhrm.virginia.gov

5.10 TIMETABLE

| | | |
|----------------------------------|---|--------------------|
| RFP Published | – | September 16, 2019 |
| Optional Pre-Proposal Conference | – | September 26, 2019 |
| Proposals Due, 2:00 P.M. | – | October 21, 2019 |
| Notice of Award | – | December 3, 2019 |

6. CRITERIA FOR EVALUATION

6.1 The criteria for award in no particular order include the following:

| | | |
|---|---|-----|
| Qualifications and experience of Offeror in providing the services required by this RFP | – | 40% |
| References from clients | – | 10% |
| Specific plans or methodology to be used in performing the services stated | – | 20% |
| Quality and applicability of other services offered | – | 10% |
| Participation of small, women and minority owned businesses. | – | 20% |

PLEASE NOTE THAT THE OFFEROR'S ADHERENCE TO THE FORM OF RESPONSE REQUESTED BY THIS RFP MAY BE USED TO MEASURE THE CAPABILITY OF THE OFFER.

7. DELIVERABLES

7.1 The Contractor shall deliver only those services resulting from this RFP which are mutually agreed upon by the Department and the Contractor. The Department will accept and pay only for those services which meet the quality standards required by the contract and which have been fully rendered.

7.2 REPORTS

7.2.1 UTILIZATION OF SMALL BUSINESSES

- A. Periodic Progress Reports/Invoices. Within sixty days of each six months' operation under this contract, disclose the actual dollars contracted to be spent to-date with such businesses, and the total dollars planned to be contracted with such businesses on this

contact. This information shall be provided separately for small businesses, women-owned businesses and minority-owned businesses.

- B. Final Actual Involvement Report: The Contractor will submit, prior to completion of the contract and prior to final payment, a report on the actual dollars spent with small businesses, women-owned and minority-owned businesses during the performance of this contract. At a minimum, this report shall include for each firm contracted with and for each such business class (i.e., comparison of the total actual dollars spent on this contract with the planned involvement of the firm and business class as specified in the proposal, and the actual percent of the total estimated contract value. A suggested format is as follows:

Business Class: Small, Small Women-Owned or Small Minority-Owned

| FIRM NAME, ADDRESS AND PHONE NUMBER | TYPE GOODS/ SERVICES | ACTUAL DOLLARS | PLANNED DOLLARS | %OF TOTAL CONTRACT |
|--|-------------------------|-------------------|--------------------|-----------------------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| TOTALS FOR BUSINESS CLASS | | _____ | _____ | _____ |

8. GENERAL TERMS AND CONDITIONS

- 8.1 **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "Vendors Manual" on the vendors tab.
- 8.2 **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- 8.3 **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the

contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

8.3.1 During the performance of this contract, the contractor agrees as follows:

- A. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- B. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- d. The requirements of these provisions 1. and 2. are a material part of the contract. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this contract for breach, or at its option, the whole contract. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific contract is terminated.
- e. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this contract.

8.3.2 The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- 8.4 ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- 8.5 IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- 8.6 DEBARMENT STATUS: By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.
- 8.7 ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- 8.8 MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFPs: Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- 8.9 CLARIFICATION OF TERMS: If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- 8.10 PAYMENT:
- 8.10.1 To Prime Contractor:
- A. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown

on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

- B. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- C. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- D. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- E. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).

8.10.2 To Subcontractors:

- A. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

(2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

B. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

8.10.3 Each prime contractor who wins an award in which provision of a SWaM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWaM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

8.10.4 The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.

8.11 PRECEDENCE OF TERMS: The following General Terms and Conditions VENDORS MANUAL, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

8.12 QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

- 8.13 TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- 8.14 ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- 8.15 CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:
- 8.15.1 The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 - 8.15.2 The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt, unless the contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the contractor shall, in writing, promptly notify the Purchasing Agency of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Purchasing Agency's written decision affirming, modifying, or revoking the prior written notice. If the Purchasing Agency decides to issue a notice that requires an adjustment to compensation, the contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - A. By mutual agreement between the parties in writing; or
 - B. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - C. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price

as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

- 8.16 DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- 8.17 INSURANCE: By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.
8. 18 MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:
- 8.18.1 Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
- 8.18.2 Employer's Liability - \$100,000.
- 8.18.3 Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and

property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

- 8.18.4 Automobile Liability - \$1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)

| <u>Profession/Service</u> | <u>Limits</u> |
|---|---|
| Accounting | \$1,000,000 per occurrence, \$3,000,000 aggregate |
| Architecture | \$2,000,000 per occurrence, \$6,000,000 aggregate |
| Asbestos Design, Inspection or Abatement Contractors | \$1,000,000 per occurrence, \$3,000,000 aggregate |
| Health Care Practitioner (to include Dentists, Licensed Dental Hygienists, Optometrists, Registered or Licensed Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.) | Code of Virginia § 8.01-581.15 https://law.lis.virginia.gov/vacode/title8.01/chapter21.1/section8.01-581.15/ |
| Insurance/Risk Management | \$1,000,000 per occurrence, \$3,000,000 aggregate |
| Landscape/Architecture | \$1,000,000 per occurrence, \$1,000,000 aggregate |
| Legal | \$1,000,000 per occurrence, \$5,000,000 aggregate |
| Professional Engineer | \$2,000,000 per occurrence, \$6,000,000 aggregate |
| Surveying | \$1,000,000 per occurrence, \$1,000,000 aggregate |

- 8.19 ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA VBO (www.eva.virginia.gov) for a minimum of 10 days.
- 8.20 DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a

statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- 8.21 **NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

- 8.22 **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS:** The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eprocurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

- 8.22.1 For orders issued July 1, 2014 and after, the Vendor Transaction Fee is:
- A. DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
 - B. Businesses that are not DSBSD-certified Small Businesses: 1%,

capped at \$1,500 per order.

For orders issued prior to July 1, 2014 the vendor transaction fees can be found at www.eVA.virginia.gov.

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

- 8.23 AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- 8.24 SET-ASIDES IN ACCORDANCE WITH THE SMALL BUSINESS ENHANCEMENT AWARD PRIORITY: This solicitation is set-aside for award priority to DSBSD-certified micro businesses or small businesses when designated "Micro Business Set-Aside Award Priority" or "Small Business Set-Aside Award Priority" accordingly in the solicitation. DSBSD-certified micro business or small businesses this include DSBSD-certified women-owned and minority-owned businesses when they have received the DSBSD small business certification. For purposes of award, offerors shall be deemed micro businesses or small businesses if and only if they are certified as such by DSBSD on the due date for receipt of proposals.
- 8.25 BID PRICE CURRENCY: Unless stated otherwise in the solicitation, offerors shall state offer prices in US dollars.
- 8.26 AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

9. SPECIAL TERMS AND CONDITIONS

- 9.1 AUDIT: The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents,

and/or state auditors shall have full access to and the right to examine any of said materials during said period.

- 9.2 AWARD OF CONTRACT: All solicitations must specify the method of award. Use the appropriate Award clause below in J. or K. if the total award including all possible renewal periods is expected to exceed \$100,000 and the purchasing agency desires the option to award to a reasonably priced or reasonably ranked DSBSD-certified small business bidder or offeror that is other than the lowest priced bidder or highest ranking offeror. Select appropriate clause for the type of procurement:
- 9.3 CANCELLATION OF CONTRACT: The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- 9.4 eVA BUSINESS-TO-GOVERNMENT CONTRACTS AND ORDERS: The solicitation/contract will result in (_____) purchase order(s) with the eVA transaction fee specified below assessed for each order.

9.4.1 For orders issued January 1, 2014, and after, the Vendor Transaction Fee is:

- (i) DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
- (ii) Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.

The specified vendor transaction fee will be invoiced by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

The eVA Internet electronic procurement solution, website portal www.eva.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following: If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov.

Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov.

9.5 RENEWAL OF CONTRACT:

9.5.1 The term of this contract is July 1, 2020 through June 30, 2023 with four one-year renewal options.

9.5.2 This contract may be renewed by the Commonwealth for 4 successive one year periods) under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

A. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract increased/decreased by more than the percentage increase/decrease of the service category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

B. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the service category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

9.6 BID ACCEPTANCE PERIOD: Any bid in response to this solicitation shall be valid for 30 days. At the end of the days the bid may be withdrawn at the written request of the bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

9.7 CONTRACTOR/SUBCONTRACTOR LICENSE REQUIREMENT: By my signature on this solicitation, I certify that this firm/individual and subcontractor is properly licensed for providing the services specified.

Contractor Name: _____

License # _____ Type _____

Subcontractor Name: _____

License # _____ Type _____

- 9.8 IDENTIFICATION OF PROPOSAL ENVELOPE: If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____ Name of Offeror _____

Due Date _____ Time _____

Street or Box Number _____

City, State, Zip Code _____

RFP No. WCS20-01

RFP Title

DSBSD-certified Micro Business or Small Business No. _____

Name of Contract/Purchase Officer or Buyer

- 9.9 INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the contractor/any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the contractor on the materials, goods or equipment delivered.

- 9.10 SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

- 9.10.1 It is the goal of the Commonwealth that 42% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All offerors are required to submit a Small Business Subcontracting Plan. Unless the offeror is registered as a DSBSD-certified small business and where it is not practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DSBSD-certified small businesses. This shall include DSBSD-certified women-owned and minority-owned businesses when they have received DSBSD small business certification. No offeror or subcontractor shall be considered a small business unless certified as such by the Department of Small Business and Supplier Diversity (DSBSD) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DSBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

9.10.2 Each prime contractor who wins an award in which a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a _____ (insert monthly, quarterly, or other frequency) _____ basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. Upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DSBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies for non-compliance to include, but not be limited to, termination for default.

9.11 NEGOTIATION WITH THE LOWEST BIDDER: Unless all bids are cancelled or rejected, the Commonwealth reserves the right granted by § 2.2-4318 of the Code of Virginia to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds available to the agency whenever such low bid exceeds the agency's available funds. For the purpose of determining when such negotiations may take place, the term "available funds" shall mean those funds which were budgeted by the agency for this contract prior to the issuance of the written Invitation for Bids. Negotiations with the low bidder may include both modifications of the bid price and the Scope of Work/Specifications to be performed. The agency shall initiate such negotiations by written notice to the lowest responsive, responsible bidder that its bid exceeds the available funds and that the agency wishes to negotiate a lower contract price. The times, places, and manner of negotiating shall be agreed to by the agency and the lowest responsive, responsible bidder.

9.12 PRICE ESCALATION/DE-ESCALATION: Price adjustments may be permitted for changes in the contractor's cost of materials not to exceed the increase in the following index/indices: _____. No price increases will be authorized for _____ calendar days after the effective date of the contract. Price escalation may be permitted only at the end of this period and each _____ days thereafter and only where verified to the satisfaction of the purchasing office. However, "across the board" price decreases are subject to implementation at any time and shall be immediately conveyed to the Commonwealth.

Contractor shall give not less than 30 days advance notice of any price increase to the purchasing office. Any approved price changes will be effective only at the beginning of the calendar month following the end of the full 30 day notification period. The contractor shall document the amount and proposed effective date of any general change in the price of materials. Documentation shall be supplied with the contractor's request for increase which will: (1) verify that the requested price increase is general in scope and not applicable just to the Commonwealth of Virginia; and (2) verify the amount or percentage of increase which is being passed on to the contractor by the

contractor's suppliers. The purchasing office will notify the using agencies and contractor in writing of the effective date of any increase which it approves. However, the contractor shall fill all purchase orders received prior to the effective date of the price adjustment at the old contract prices. The contractor is further advised that decreases which affect the cost of materials are required to be communicated immediately to the purchasing office.

9.13 PRIME CONTRACTOR RESPONSIBILITIES: The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

9.14 REFERENCES: Bidders shall provide a list of at least 3 references where similar goods and/or services have been provided. Each reference shall include the name of the organization, the complete mailing address, the name of the contact person and telephone number.

| ORGANIZATION | ADDRESS | CONTACT PERSON | TELEPHONE |
|--------------|---------|----------------|-----------|
| 1. _____ | _____ | _____ | _____ |
| 2. _____ | _____ | _____ | _____ |
| 3. _____ | _____ | _____ | _____ |

9.15 SECURITY LICENSE: In accordance with Code of Virginia § 9.1-139 the offeror or their subcontractor shall be licensed by the Department of Criminal Justice Services for solicitations which include the following work: installation, service, maintenance, or design of security equipment; security officer service; and/or private investigator service. Licenses must be obtained prior to submitting a offer. The offeror shall place their license number or their subcontractor's license number in the space provided below:

Offeror Private Security Services Business License Number: _____

Subcontractor Private Security Services Business License Number: _____

For assistance, offerors may contact the Department of Criminal Justice Services at 804-786-4700.

9.16 SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed

subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

9.17 CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION: The contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and unless disclosure is required pursuant to court order, subpoena or other regulatory authority, will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

9.18 CONTINUITY OF SERVICES:

9.18.1 The Contractor recognizes that the services under this contract are vital to the Agency and must be continued without interruption and that, upon contract expiration, a successor, either the Agency or another contractor, may continue them. The Contractor agrees:

- A. To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
- B. To make all Agency owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the contract to facilitate transition to successor; and
- C. That the Agency Contracting Officer shall have final authority to resolve disputes related to the transition of the contract from the Contractor to its successor.

9.18.2 The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

9.18.3 The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

9.19 STATE CORPORATION COMMISSION IDENTIFICATION NUMBER: Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the or offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.

9.20 E-VERIFY PROGRAM: EFFECTIVE 12/1/13. Pursuant to Code of Virginia, §2.2-4308.2., any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such debarment shall cease upon the employer's registration and participation in the E-Verify program. If requested, the employer shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

10. WORKERS' COMPENSATION PROGRAM AUDITING SERVICES QUESTIONNAIRE

Complete the information requested on Attachment One

11. PARTICIPATION OF SMALL, WOMEN, AND MINORITY OWNED BUSINESSES

Complete the information required on Attachment Two. State the location in your proposal of your response to this requirement.

ATTACHMENT I

Commonwealth of Virginia Workers' Compensation Services Procurement

WORKERS' COMPENSATION PROGRAM AUDITING SERVICES

Completion of this questionnaire and its referenced supporting attachments will constitute each Offeror's Technical Proposal for the services described in this RFP:

Please provide a direct response to all of the questions below and follow directions for submission of supporting attachments. Attachments should be provided, in order, following your Questionnaire responses. Please note that Cost-related information (Section 11 and its attachments) are for Offeror's information only and are not to be submitted with each proposal package. The Cost information provided gives the Department's requirements that will be a part of the final negotiations. If a given response is lengthy or responsive to more than one question, provide a brief cross reference to an attachment (or the similar response to another question). Your responses should be contained in a loose-leaf notebook and not be bound. Systems' documentation, and other well organized, clear charts or exhibits may serve in lieu of narrative.

The RFP describes Tasks and the requirement thereof. Under the appropriate evaluation section below, you will be requested to affirm that you will fully understand and will meet these requirements as stated. Be advised that failure to identify any deviation in response to the appropriate question constitutes a representation on the Offeror's part that the requirements will be met precisely as written. Your response must also contain any demurrals and the reasons therefore. The absence of demurrals shall constitute a representation that the Offeror will provide services and reports exactly as requested by the Department.

A. QUALIFICATIONS AND EXPERIENCE OF OFFEROR

In 500 words or less describe the Offeror's qualifications in performing SOC I (type II) audits, Include the experience of your company in performing these audits.

Provide your company's organizational structure along with its history.

Provide resumes of the proposed personnel for this contract along with their specific experience and expertise in SOC 1 (type II) audits.

Submit a sanitized copy of a recently completed SOC 1 (type II) audit of a company of similar size as WCS.

B. REFERENCES

On a separate sheet of paper conspicuously labeled "Clients," list three current and at least two former clients, of similar size and scope of the Commonwealth, with whom SAS 70 (type II) audits have been performed. Give the following information for each qualifying client.

1. Name and address of the client.
2. Name and telephone number of client contact.
3. Services provided to client, type of audit, number of transactions and period covered.
4. An indication if this is a current or former client and an indication if this client (current or former) has given you permission to be named as a reference.

C. SPECIFIC PLANS

1. Give a brief overview of your proposed plan to provide the services required in the RFP.

Address specifically your experience in performing similar services such as audits resulting in reports on controls placed in operations and tests of operational effectiveness; performance of those audits of a third party administrator organization, preferably workers' compensation and in a governmental environment.

2. Provide specific methodology to be used in providing the required services.
3. Provide documentation on other applicable services offered by your firm addressing the quality of work performed.

SMALL BUSINESS SUBCONTRACTING PLAN

Definitions

Small Business: "Small business" means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: This shall not exclude SBSD-certified women- and minority-owned businesses when they have received SBSD small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (SBSD) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through SBSD online at www.SBSD.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____ **Date:** _____

Instructions

- A. If you are certified by the Department of Minority Business Enterprise (SBSD) as a small business, complete only Section A of this form. This shall not exclude SBSD-certified women-owned and minority-owned businesses when they have received SBSD small business certification.
- B. If you are not a SBSD-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to SBSD-certified small business in this section. Points will be assigned based on each offeror's proposed subcontracting expenditures with SBSD certified small businesses for the initial contract period as indicated in Section B in relation to the offeror's total price.

Section A

If your firm is certified by the Department of Minority Business Enterprise (SBSD), are you certified as a (**check only one below**):

_____ Small Business

_____ Small and Women-owned Business

_____ Small and Minority-owned Business

Certification number: _____ Certification

Date: _____

Section B

Populate the table below to show your firm's plans for utilization of SBSD-certified small businesses in the performance of this contract. This shall not exclude SBSD-certified women-owned and minority-owned businesses when they have received the SBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.

B. Plans for Utilization of SBSD-Certified Small Businesses for this Procurement

| Small Business Name and Address SBSD Certificate # | Status if Small Business is also: Women (W), Minority (M) | Contact Person, Telephone & Email | Type of Goods and/or Services | Planned Involvement During Initial Period of the Contract | Planned Contract Dollars During Initial Period of the Contract |
|---|--|--|--------------------------------------|--|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Totals \$ | | | | | |